

**MINUTES OF REGULAR MEETING  
ILLINOIS GAMING BOARD  
October 17, 2000  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

The Illinois Gaming Board ("Board") held its Regular Meeting on October 17, 2000 in the Auditorium on the 5th floor of the State of Illinois Building, Chicago, Illinois, pursuant to the Illinois Open Meetings Act, 5 ILCS 120/1 et seq.

The following Board Members were present: Chairman Gregory C. Jones and Members Sterling M. Ryder and Stuart P. Levine. Members Joseph Lamendella and Staci Yandle were not present for the meeting.

Also in attendance were: Administrator Sergio E. Acosta, Deputy Administrators Joseph Haughey, Allan S. McDonald, Thomas Swoik, and James W. Wagner, Deputy Chief Legal Counsel Jeannette P. Tamayo, and other members of the staff.

Chairman Jones re-convened the Closed Session at 9:30 a.m. in the 3<sup>rd</sup> floor Board Conference Room.

The Board convened its Open Session at 1:32 P.M.

Chairman's Report

Chairman Jones announced that Members Joseph Lamendella and Staci Yandle were not present due to other commitments.

Member Ryder discussed the 2000 Update Report by the Illinois Economic and Fiscal Commission, which addresses all forms of gambling in the State of Illinois. Member Ryder stated that he feels that the predictions in the latest report, based on the laws that are in existence now, are understated in terms of the receipts and potential receipts from riverboat gambling.

Administrator's Report

Administrator Acosta announced the passing away of Mr. Carlos Sanchez, who was an Auditor for the Gaming Board for over eight years.

Board Policy Items

Deputy Chief Legal Counsel, Jeannette Tamayo, informed the Board that, with its permission, she would submit proposed legislation for the upcoming year, which would be the same proposal that the Board approved for the last couple of years. The proposal would

deal with numerous issues including ownership interests, owner licensee contracts, court-appointed receiver, youth access, clarifications to the application process, training of gaming employees, and clarifications in regards to gaming equipment and supplies.

Ms. Tamayo also provided a briefing on the morning meeting of the Joint Committee on Administrative Rules (JCAR). Ms. Tamayo stated that the Committee voted 4-1 to oppose the proposed rulemaking on the hours of alcohol sales. Ms. Tamayo stated that the Board proposed 9:30 a.m.-4:00 a.m. JCAR opposed those hours on the basis that they are not restrictive enough, with one member preferring that the casinos adhere to the local standards which cease alcohol sales between 1:00 a.m. and 2:00 a.m. Ms. Tamayo stated that JCAR will issue a Certificate of Objection to the Board and the Board will have ninety days to consider the issue. During that time, the Board could amend its proposed rule, accept the recommendation from JCAR or reject the recommendation from JCAR. A Certificate of No Objection should be received on the Receivership Rule, the Records Retention Policy and Rule 3000.636.

Member Ryder asked if the Certificate of Objection from JCAR will articulate the reasons for the objection. Ms. Tamayo stated that generally the certificate identifies the specific concerns.

Member Ryder asked if a licensee and a local community could agree on a set of hours less than those proposed. Ms. Tamayo stated that any licensee could set more prudent hours as long as the hours do not start earlier than the time set by the Board or allow sales after the time set by the Board.

#### Public Commentary

Rev. Tom Grey, representing The National Coalition Against Legalized Gambling, reviewed an article from Smart Money Magazine Ten Things the Gaming Industry Won't Tell You. Mr. Grey asked the Board not to make any decisions on Emerald until the Supreme Court rules. He also asked that Member Levine withdraw from voting on Emerald Casino when the Board votes.

Jack Roeser, Family Taxpayers Network, was present to discuss the investigation that Family Taxpayers Network conducted of Senate Bill 1017. Mr. Roeser stated that he has been unable to obtain from IGB staff the operating expenses of the different boats because the information was allegedly confidential. Mr. Roeser discussed Family Taxpayers Network's publication, The Champion, which he said is published to expose the public in Illinois to the various issues involving the gambling bill. Copies of the publication were distributed to the Board members. Mr. Roeser briefly recited some of the problems dealing with Senate Bill 1017.

Administrator Acosta stated that Gaming Board staff would contact Mr. Roeser to determine what type of information he was unable to obtain previously. If it is public information, it will be made available to him.

Chairman Jones stated that staff will look into what Mr. Roeser is trying to obtain, and if it is not within the non-disclosure requirements of the Gaming Board Rules, Mr. Roeser is entitled to the information.

Member Ryder questioned a statement made in the publication about the boats operating 24-hours a day. Administrator Acosta stated that the Gaming Board has never authorized 24-hour gaming, but that there were some requests last fall to go to 24-hours; however those requests were withdrawn before the Board took any action. None of the casinos are permitted to operate 24-hours a day.

John C. Foley, with Interim Holdings, LLC., was present to discuss Argosy Gaming Co. Mr. Foley read a prepared statement that was distributed to the Board members and Administrator Acosta. Overall, the statement outlined alleged misconduct by Argosy.

#### Owner Licensee Items

HOLLYWOOD CASINO AURORA – Ed Pratt, President of Hollywood Casino Aurora, other staff members of Hollywood Casino, and community leaders were present on behalf of Hollywood Casino to request initial consideration for renewal of their Owner's License. Mr. Pratt presented the Board with a video, highlighting commitments to the City of Aurora and the State of Illinois, in terms of tax revenue, economic development, tourism, and community involvement. As of June 2000 of this year, Hollywood Casino projects that it has contributed over \$311 million in taxes to state and local governments and generated over \$617 million in economic activity since 1993. Mr. Pratt stated that Hollywood Casino would continue to consider other opportunities for improving their operations and expanding their facilities, ranging from a capitol improvement basis to a marketing basis, to ensure that they will always maintain one of the highest quality facilities in Illinois. Mr. Pratt stated that Hollywood Casino would continue to support economic development and tourism in the community and in the State of Illinois. Mr. Pratt represented that Hollywood would continue to be involved with charitable organizations, not only by giving money, but also by encouraging every staff member to donate their time. Mr. Pratt stated that Hollywood Casino would always demonstrate the utmost respect to the Gaming Board and would always meet its regulatory commitments.

Member Ryder asked if the Casino has any impact on the small businesses in the community. Sherman Jenkins, Executive Director of the Economic Development Commission, stated that Hollywood Casino has made a strong impact on small businesses in the community. Mr. Jenkins stated that, due to the business relationship with Hollywood Casino, many small businesses have had the opportunity to grow and prosper.

Chairman Jones questioned the statement made during the video presentation regarding significant expenditures by Hollywood Casinos involving local vendors. Mr. Jenkins

stated that citywide and over the period of time that the casino has been operating, expenditures are in the millions. Sue Vos, Executive Director of Convention and Tourism Council, stated that in the downtown area particularly, over the last few years, a lot of new entertainment and cultural opportunities have been presented to the community because of the existence of the casino.

CASINO ROCK ISLAND – Attorney Donna More and Bill Renk, Director of Marketing for Casino Rock Island, were present on behalf of Casino Rock Island to request initial consideration for approval of a site modification. Ms. More stated that the modification would consist of the casino relocating from the current site in Rock Island to another site approximately 3½ miles away. The new location would still be within the City of Rock Island and on the Mississippi River. Ms. More stated that one reason for the request is safety concerns. Ms. More represented that the U.S. Coast Guard performed an informal risk assessment and discovered certain risks. Ms. More stated that the new location would foster economic development, promote tourism and generate greater adjusted gross revenues. Ms. More stated that the Mayor of Rock Island has embraced the project. Mr. Renk presented the Board with photos of the present site and explained plans for the new location.

IGB staff will meet with Donna More and Casino Rock Island's staff to discuss further issues regarding the site modification request and whether the casino will continue to be "on the Mississippi River."

Chairman Jones asked how the community leaders feel about moving the casino from the downtown area to a more remote undeveloped site, in terms of business near the casino. Ms. More stated that the Mayor is fully supportive of the project and views it as a catalyst for greater development.

CASINO ROCK ISLAND- Attorney Donna More was present on behalf of Casino Rock Island to request initial consideration for a Transfer of Ownership Interest. Ms. More stated that Mr. Jummer, the majority shareholder of Casino Rock Island, is seeking to transfer a portion of his ownership interest to each of his three children. Ms. More stated that the amount of ownership that each child would have would be just over 2%. Ms. More stated that she would provide Administrator Acosta with more documentation stating the actual amount of shares to be transferred.

ALTON BELLE CASINO - Brenda Bauer, Vice President and General Manager, was present on behalf of Alton Belle Casino to request final action on Alton's license renewal application.

Based on the staff's investigation and recommendation, Member Levine moved **that the Board approve the Owner's License of Alton Belle Casino for a term of 3 years. In doing so, the Board recognizes that Alton Belle has made numerous improvements,**

but admonishes that it needs to continue to work on enhancing its overall management and operations. The Board orders the following:

1. **Until further notice, Alton Belle Casino must submit documentation to the Administrator on a quarterly basis, which describes: (a) the training provided to all personnel, especially slot department and security personnel, hired during that quarter, (b) the discipline administered to all personnel, especially slot department and security personnel; and (c) the overall supervision of the slot department personnel by management.**
2. **The Alton Belle must provide the Administrator with a copy of its written policy regarding the hiring of minorities and females, detailing the goals and plans for hiring and promotion.**

Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

GRAND VICTORIA – Attorney Donna More was present on behalf of Grand Victoria to request final action on the casino's license renewal application.

Based on the staff's investigation and recommendation, Member Ryder moved that **the Board approve the Owner's License of Grand Victoria for a term of 4 years.**

Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

Chairman Jones stated that there was a condition placed upon Alton Belle Casino that they provide plans for minority hiring. Chairman Jones stated that plans for minority hiring will be discussed during the up-coming General Manager's Meeting and it will be determined that all casinos have such written plans in place for review by the Board.

PAR-A-DICE – Attorney Donna More was present on behalf of Par-A-Dice to request final action on their Financial Reporting Waiver request.

Based on the staff's review and recommendation, Member Levine moved that **the Board approve the financial reporting waiver sought by Par-A-Dice Gaming Corporation. In doing so, the Board recognizes that there is no longer a need for the maintenance of a historical basis of accounting.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

HOLLYWOOD CASINO AURORA – Pat Medchill, General Manager, was present on behalf of Hollywood Casino to request final action on Hollywood’s Proposed Facility Reconfiguration plan.

Based on the staff’s review and recommendation, Member Ryder moved that **the Board approve the proposed facility reconfiguration. The approval of the revised facility reconfiguration is subject to Hollywood updating the Board on the progress of the construction from time to time, as deemed appropriate by the Administrator. Further, once the project is completed, Hollywood is to seek final approval from the Board of its facility reconfiguration after necessary approvals from the State Fire Marshall, U.S. Coast Guard and other appropriate authorities been obtained. This approval is subject to Hollywood maintaining its riverboats or another contingency plan unless further authorized by the Board.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

CASINO QUEEN – TERRENCE L. HANGER, M.I.S. DIRECTOR– LEVEL ONE  
Craig Travers, General Manager, was present on behalf of Casino Queen to request approval of Mr. Hanger.

Based on a review of the staff's investigation and recommendation, Member Levine moved that **the Board approve Terrance L. Hanger as a Level 1 Occupational Licensee of Casino Queen.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

EMPRESS – DOUGLAS HUBER, CORPORATE DIRECTOR OF INTERNAL AUDIT & COMPLIANCE – KEY PERSON

Attorney Donna More was present on behalf of Empress Casino Joliet to request approval of Mr. Huber.

Based on a review of the staff's investigation and recommendation, Member Ryder moved that **the Board approve Douglas Charles Huber as a key person of Empress.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

#### Supplier Licensee Items

SILICON GAMING-ILLINOIS, INC. – Attorney Donna More was present on behalf of Silicon Gaming-Illinois, Inc. to request approval for Mr. Matthews.

Based on a review of the staff's investigation and recommendation, Member Levine moved that **the Board approve Paul David Matthews as a Key Person of Silicon**

**Gaming-Illinois, Inc.** Member Ryder seconded the motion. The Board approved the motion unanimously by voice vote.

Occupational Licensees

Based on the staff's investigation and recommendation, Member Ryder moved that **the Board approve 115 applications for an Occupational License Level 2, and 432 applications for an Occupational License Level 3, and deny 0 applications for an Occupational License Level 2, and 2 for an Occupational License Level 3.**

Member Ryder further moved that, **the Board direct the Administrator to contact 4 pending applicants for occupational licenses to notify those applicants that staff has recommended that the Board deny their applications for an occupational license and provide these applicants with an opportunity to respond.** Member Levine seconded the motion. The Board approved the motion unanimously by voice vote.

At 3:45 P.M., Member Ryder moved to adjourn. Member Levine seconded the motion. The motion was passed unanimously.

Respectfully submitted,

Monica Thomas  
Secretary to the Board